

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

FIRST-CLASS MAIL AND PERIODICALS
SERVICE STANDARDS CHANGES, 2021

DOCKET No. N2021-1

**MAILERS HUB
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENT
UNITED STATE POSTAL SERVICE WITNESS ROBERT CINTRON
(MH/USPS-T-1-1)
(May 12, 2021)**

Pursuant to the Postal Regulatory Commission's *Rules of Practice and Procedure* (39 CFR 3010.311), Mailers Hub respectfully submits the following interrogatories, numbered (MH/USPS-T1-1-16), to United States Postal Service witness Robert Cintron (USPS-T-1) and requests a timely answer under oath. If an interrogatory can be more accurately answered by a different witness, we request that it be redirected accordingly or, if necessary, to the Postal Service for an institutional response.

Please contact the undersigned with any questions.

Respectfully submitted

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MAILERS HUB INTERROGATORIES TO
UNITED STATES POSTAL SERVICE WITNESS ROBERT CINTRON (USPS-T-1)
(MH/USPS-T1-1-16)

MH/USPS-T1-1. Please refer to your testimony in section I(A).

a. Please identify specific occasions, other than the pre-filing conference, when the Postal Service “conferred with industry representatives” specifically regarding the proposed service standard changes, as opposed to service issues generally.

b. Please identify the specific presentations to the Mailer Technical Advisory Committee that were specifically about the proposed service standard changes, as opposed to service issues generally.

c. Please confirm that the phrase “as we plan to implement services standards” indicates that the Postal Service intends to implement the proposed service standards notwithstanding the Advisory Opinion that will be issued by the Postal Regulatory Commission at the conclusion of this Docket.

MH/USPS-T1-2. Please refer to your testimony in section I(A)(1), *Discussion of Current Inability to Meet Existing Service Standards*.

a. Please confirm that service performance targets and scores shown for First-Class Mail are aggregated, i.e., they are composite averages of all First-Class Mail regardless of category or preparation, and the average of performance of all reporting units (e.g., areas and districts). If that cannot be confirmed please explain why.

b. Please confirm that, within the aggregated (composite) scores, some reporting units and/or processing facilities have shown relative consistency in achieving (or failing to achieve) the current service standards. If that cannot be confirmed, please explain why.

c. Please explain what analyses or studies the Postal Service made over the 2012-2020 period to identify underperforming facilities, deficient processes, management or staffing issues, and other factors contributing to the failure to achieve service performance under the current service standards, and what corrective measures were taken. If no analyses or studies were made, or no corrective actions were taken, please explain why not.

d. Please explain whether and how the management, staffing, processing, transportation, or other factors now impairing achievement of the current standards will be amended, other than by adding time, to enable achievement of the proposed service standards.

e. Please explain whether the Postal Service has evaluated only replacing the current three-to-five day standard with separate standards for three, four, and five-day service, without other changes to two-day service or the processing and transportation networks. If that evaluation has been conducted, please provide the results or, if no evaluation was made, please explain why not.

MH/USPS-T1-3. Please refer to your testimony in section I(A)(2), *Potential Improvements in Service Capability and Improved 1 Achievement of Service Standards*.

a. Please explain why the Postal Service's regulations do not account for transit time and whether this omission was deliberate. If not, please explain why "the Postal Service's regulations pertaining to the current three-day service standard for First-Class Mail" were adopted with this shortcoming.

b. Please confirm that "the Postal Service's regulations" for overnight and two-day service do account for transit time. If not confirmed, please explain why not.

c. Please explain whether the Postal Service has evaluated only revising the current three-to-five day standard to account for transit time, and/or replacing it with separate standards for three, four, and five-day service, that do account for transit time, without other changes to two-day service or the processing and transportation networks. If that evaluation has been conducted, please provide the results or, if no evaluation was made, please explain why not.

d. Please confirm that the "42 percent" figure represents the average for *all* vehicles ("5-ton" trucks, and all sizes of trailer) used for surface transportation, over all trip lengths, and movements by both HCR and PVS service. If not confirmed, please explain or clarify.

e. Please explain whether the "42 percent" figure refers to cubic capacity, maximum weight, or vehicle floor space.

f. Please detail the percent vehicle capacity utilization planned by the Postal Service and, if that utilization is less than 75 percent, why that lower utilization was planned.

g. Please explain the process used by the Postal Service to determine the vehicle to be used on a surface routing (e.g., “5-ton” vs 40-foot trailer vs 53-foot trailer).

MH/USPS-T1-4. Please refer to your testimony on page 11.

a. Please explain the criteria currently used by the Postal Service to determine when movement of mail between two points will be by air or surface transportation, specifically the relative weight given to cost and to service standard achievement.

b. Please confirm that the illustration on page 11 assumes that the air routing will not be non-stop and that the surface routing will involve only one en-route stop at an STC.

c. If confirmed, please confirm that air transportation routing can also be nonstop, and that surface transportation can include multiple en-route stops, such as to load or offload mail at other postal facilities that are not STCs.

d. Please explain the measures taken by the Postal Service to determine the causes of air transportation delay; the measures taken by the Postal Service to reduce or eliminate those causes; and the results of the measures taken. If no measures were taken for either purpose, please explain why.

MH/USPS-T1-5. Please refer to the footnote to your testimony on page 11.

a. Please explain the difference between “service standards” and “service performance targets.”

b. Please confirm that the Postal Service must seek an Advisory Opinion from the Postal Regulatory Commission if changing nationally-applicable “service standards” for First-Class Mail but can unilaterally adjust “service performance goals” for any mail.

c. Please explain the use of “expect to” rather than “will.”

d. Please explain the steps being taken by the Postal Service in preparation for “implementation of our proposed service standard changes,” other than adding transit time and adjusting modes of transportation, so that the 95 percent service performance target can be attained at “all times of the year.”

e. Please explain the steps the Postal Service will take if it is unable to achieve or maintain achievement of the “95 percent” performance goal it expects to set “upon implementation of our proposed service standard changes during all times of the year.”

MH/USPS-T1-6. Please refer to your testimony in section I(B), *Overview of Existing and Planned Changes to Service Standards*.

a. Please explain the basis for the current use of six hours as the differentiator between the applicability of the current two-day and three-day service standards, compared to the basis for using three hours, twenty hours, and forty-one hours as differentiators between the applicability of the corresponding proposed service standards.

b. Please explain why a three-day service standard was established for mail moving from anywhere within the contiguous United States and non-contiguous or offshore locations if, as you stated on page 9 of your testimony, “the current three-day service standard for First-Class Mail [does] not account for transit time.”

MH/USPS-T1-7. Please refer to the statement in your testimony on page 18, lines 16 through 18, that “the Postal Service is incapable of meeting its service performance targets, and hence providing reliable and consistent service, under the current standards.”

a. Please confirm that, as shown in the data provided quarterly to the Postal Regulatory Commission, some facilities (or districts or areas) of the Postal Service have been able to meet current service performance targets.

b. Please explain the steps taken by the Postal Service to determine why some facilities (or districts or areas) have been able to meet current service performance targets; the information developed; the actions taken to apply those findings to enable other facilities (or districts or areas) to meet service performance targets; and the results of those actions. If no steps were taken for either purpose please explain why.

c. Please explain the causes, other than transit time and the use of air transportation, that contribute to the Postal Service’s failure to meet service performance targets, and how the proposed changes to service standards will ameliorate those causes so as to enable achievement of the revised standards.

d. Please explain the steps taken by the Postal Service to determine why it “is incapable of meeting its service performance targets”; the information developed; the corrective actions taken to improve its capability to meet service performance targets; and the results of those actions. If no steps were taken for either purpose please explain why.

e. Please explain the Postal Service's criteria for "meeting" targets, and for judging service to be "reliable" and "consistent," and the derivation of those criteria.

MH/USPS-T1-8. Please refer to the statement in your testimony on page 18, lines 23 through 25, that "Achieving this standard requires the Postal Service to employ substantial point-to-point two-day transportation for, at times, very low volume."

a. Please define the terms "substantial" and "very low volume" as used in your testimony.

b. Please define the frequency on which "substantial point-to-point two-day transportation" is required, compared to the universe of surface transportation trips.

c. Please define the frequency of trips carrying "very low volume" compared to the universe of surface transportation trips.

d. Please explain the Postal Service's normal processes for evaluating transportation utilization and how those are applied to situations of "very low volume."

e. Please explain the Postal Service's actions to minimize the occurrence of trips with "very low volume" and whether those actions were effective. If not, please explain any further actions that were taken, and their results; if none were taken, please explain why not.

f. Please explain why the capacity of contracted surface transportation vehicles cannot be adjusted to provide the flexibility to better align with volume.

MH/USPS-T1-9. Please refer to your testimony in section III(A), *Proposed Transportation Network Changes and Benefit*.

a. Please explain the Postal Service's criteria for determining the efficiency of transportation, particularly as each mode correlates to the level of service performance it enables.

b. Please confirm that the primary objective of the proposed service standard changes is to reduce Postal Service costs by maximizing the volume of mail that can be moved by surface transportation. and not to maintain or improve on the current levels of achievement of the current service standards for First-Class Mail.. If not confirmed, please explain why.

c. Please explain the vehicle capacity (vehicle types and sizes) and their flexibility (i.e., option to select based on volume) that is assumed in evaluating the "efficiency" of proposed surface transportation.

d. Please confirm that your examples of “efficiency-increasing measures” noted on lines 16 through 19 imply multiple stops along a lane of surface transportation. If confirmed, please explain that statement as it compares to the transportation that is illustrated on page 11 labeled “Only 5 Steps for Future Middle Mile.” If not confirmed, please explain why not

e. Please explain whether, and if so, the proper loading of mail onto designated transportation can be ensured, and mail dispatch can be completed “within the time constraints of the operating plan,” without “the proposed addition of one or two days to current service standards.”

f. Please explain the Postal Service’s process for establishing and approving operating plans, especially how those could be established and approved if they do not generally and consistently “ensure that all mail volumes are properly loaded onto designated transportation within the time constraints of the operating plan.”

MH/USPS-T1-10. Please refer to the statement in your testimony on page 28, lines 11 through 13, that “Early dispatches, which are frequently necessary to achieve current service standards, risk departing from origin points without all committed volumes, leading to operational plan failures and missed service standard targets.”

a. Please explain why and how, in the stated scenario, approved operating plans would not align transportation and achievement of service standards or, conversely, how operating plans would be approved if they include the necessity for early dispatches, perhaps “without all committed volumes.”

b. Please explain how correction of such misalignments cannot be achieved without changing service standards.

MH/USPS-T1-11. Please refer to your testimony on page 29, lines 12 through 14.

a. Please explain the reasons for which “The Postal Service does not anticipate that the necessary mail processing changes, themselves, would materially affect cost or revenue.”

b. Please explain what changes, other than “the necessary mail processing changes,” the Postal Service anticipates “would materially affect cost or revenue.”

MH/USPS-T1-12. Please refer to your testimony on page 30, lines 15 through 17.

a. Please explain what currently inhibits the Postal Service from having “more flexibility to route mail more efficiently, and to maximize the use of space on each trip.”

b. Please explain what actions, other than changing service standards, the Postal Service has evaluated to gain “more flexibility to route mail more efficiently, and to maximize the use of space on each trip,” and the findings of such evaluations. If no evaluation was made, please explain why not.

c. Please explain what actions, other than changing service standards, the Postal Service has implemented to gain “more flexibility to route mail more efficiently, and to maximize the use of space on each trip,” how the success of those actions was evaluated, and what further action was taken. If no actions were taken for either purpose, please explain why.

MH/USPS-T1-13. Please refer to the statement in your testimony on page 30, line 25, and page 31, lines 1 through 3, that “In order to mitigate any harm from this change, the Postal Service will work to inform retail customers about the service changes, so that they can set appropriate expectations for delivery times.”

a. Please explain the “harm” to which the statement refers and how informing retail customers about the service changes will materially mitigate that “harm.”

b. Please explain how the Postal Service will mitigate “harm” to commercial customers.

c. Please explain the criteria the Postal Service used to determine that enabling customers to “set appropriate expectations for delivery times” will mitigate “harm” to those customers interests, and how that would offset dissatisfaction over slower service.

MH/USPS-T1-14. Please refer to the statement in your testimony on page 31, lines 16 and 17, that “business customers’ destination-entry presort mail will remain unaffected by the proposed service standard changes.”

a. Please confirm that there are no destination entry rates for First-Class Mail.

b. If confirmed, please clarify the statement that “destination-entry presort mail will remain unaffected by the proposed service standard changes,” particularly to define what the term “unaffected” means in your use of it in this statement.

c. Please explain how Presorted First-Class Mail will “remain unaffected” if the origin/destination pair represented by the facility where the mail is deposited and the facility serving the destination of the mail will be moved from a two-day service standard to a three-day service standard “by the proposed service standard changes.”

MH/USPS-T1-15. Please refer to the statement in your testimony on page 31, lines 17 and 18, that “all mail will benefit from improved reliability and predictability.”

a. Please define the terms “all mail,” “improved,” and “benefit” as you use them in this statement.

b. Please the degree of “improvement” that is anticipated.

c. Please explain the criteria the Postal Service used to determine that “all mail will benefit from improved reliability and predictability,” specifically the bases for that determination and the bases for having sufficient surety to conclude that the statement will be accurately borne out by the results of the proposed service standard changes.

MH/USPS-T1-16. Please refer to your testimony in section V, *The Postal Service’s Proposed Network Operations Changes Are Consistent With The Policies And Requirements Of Title 39, United States Code*.

a. Please explain whether the Postal Service considers First-Class Mail service performance to be a “driver of First-Class Mail revenue loss.”

b. Please explain whether the Postal Service has evaluated and identified other opportunities for operational “cost and service efficiencies” other than “through enhanced use of surface transportation.” If so, please explain those opportunities and the Postal Service’s plans for implementing them. If there are no plans to implement identified opportunities, please explain why not. If no evaluation has been made, please explain why not.

c. Please explain the bases for the Postal Service’s conclusion that service standards should be aligned “with actual performance” rather than aligning operational performance to enable achievement of established service standards.

d. Please confirm that the “95 percent” target will apply to all First-Class Mail and time-sensitive Periodicals. If not confirmed, please clarify to what the “95 percent” target will or will not apply and, in each case, why.

e. Please define “on a consistent basis” as you use it in your testimony and how that modifier alters the effective meaning of “95 percent.”

f. Please define the terms “quality” and “adequate” as you use them on page 35, lines 20 and 21.

g. Please explain the criteria, and any studies or customer research, used by the Postal Service to determine that service is “quality” and “adequate.” If no studies or research were conducted, please explain why not.

h. Please provide any studies or research that would support a customer or ratepayer conclusion that the proposed service standard changes will yield service that is “quality and adequate.” If no studies or research are available, please explain why not.